

Illinois EE Stakeholder Advisory Group Large Group SAG: NTG Meeting #3

Tuesday, September 27, 2022
10:00 – 11:00 am

Attendee List and Notes

Meeting Materials

- Posted on the [2023 NTG page](#):
 - [Tuesday, September 27 SAG Agenda \(NTG Meeting #3\)](#)

Attendee List

Celia Johnson, SAG Facilitator
Greg Ehrendreich, Midwest Energy Efficiency Alliance (MEEA) – Meeting Support
Al Walker, Leave No Veteran Behind
Andy Vaughn, Leidos
Billy Davis, Bronzeville Community Development Partnership
Brian A'Hearn, CLEAResult
Cher Seruto, Guidehouse
Chris Vaughn, Nicor Gas
Claire Flaherty, Cascade Energy
David Brightwell, ICC Staff
David Kilgore, Ameren Illinois
Deb Dynako, Slipstream
Dena Jefferson, Franklin Energy
Elizabet Iontcheva, Nicor Gas
Elizabeth Horne, ICC Staff
Erin Daughton, ComEd
Hannah Collins, Leidos
Jane Colby, Apex Analytics
Jason Fegley, Ameren Illinois
Jeff Erickson, Guidehouse
Jim Fay, ComEd
John Lavalley, Leidos
Kevin Grabner, Guidehouse
Kumar Chittory, Verdant Associates
Lance Escue, Ameren Illinois
Lawtrence Kotewa, Elevate
LaJuana Garret, Nicor Gas
Mark Szczygiel, Nicor Gas
Martha White, Nicor Gas
Mary Thony, Guidehouse
Matt Armstrong, Ameren Illinois
Max Michelotti, Power Takeoff
Mike King, Nicor Gas
Monique Leonard, Ameren Illinois

Nicholas Crowder, Ameren Illinois
Philip Halliburton, ComEd
Philip Mosenthal, Optimal Energy, on behalf of IL AG's Office & National Consumer Law Center
Randy Gunn, Tierra
Ronna Abshure, ICC
Seth Craigo-Snell, SCS Analytics
Sharon Mullen, Guidehouse
Ted Weaver, First Tracks Consulting, on behalf of Nicor Gas
Tyler Sellner, Opinion Dynamics
Victoria Nielsen, Applied Energy Group
Vince Gutierrez, ComEd
Wade Morehead, Morehead Energy
Wisit Kumchai, ComEd
Zach Ross, Opinion Dynamics

Meeting Notes

Follow-up items marked **in red**.

Purpose of Meeting: To follow-up on evaluator Net-to-Gross (NTG) recommendations for the 2023 program year for Ameren Illinois and ComEd; discuss final consensus.

SAG Facilitator Process Reminder

- All meeting materials are posted on SAG website: <https://www.ilsag.info/evaluator-ntg-recommendations-for-2023/>
- This is the final meeting to discuss open NTG values for Ameren Illinois and ComEd. NTG values were finalized for Nicor Gas, Peoples Gas & North Shore Gas at the September 13th meeting.
- NTG values must be finalized by Oct. 1 for the program year which starts Jan 1, 2023.
- Goal is to reach consensus on all NTG values through this process. If consensus is reached, it will be used for 2023 even if it is different from evaluator's initial recommendation. If no agreement on any value by the end of this month, the evaluators final recommended value will be deemed for the upcoming program year. Final recommended values should review feedback & discussion and make a best estimate.

Ameren Illinois NTG Recommendations

Zach Ross, Opinion Dynamics

- The remaining open item is the NTG recommendation for Market Rate Single Family HVAC – AC, heat pumps, HPWH, advanced thermostats. ODC's recommendation changed from previous versions. Updated recommended value is the SAG default of 0.80 except for heating advanced t-stat at 0.90.
- Previous draft research had results in the mid-0.50's except heating in the high 0.70s. Used the default values previously. Started research in 2022. This is the first use of the midstream NTG protocol. Only completed distributor research so far, others scheduled for later this fall.
- After conversation with Ameren, ODC decided to revert to previous recommendations for the midstream channel. There were concerns about only distributor perspective in the values; question about doing it within the method; maybe some methodology issues to be considered in the working group. Some valid points about grouping the measures and distributor insight. We think this is a difficult choice between imperfect available research

and the default value, but with what we have here and what is planned, we think the default value is a better choice.

- ODC is planning on contractor and end-user research in 2023. Ameren plans to provide comments on the midstream NTG protocol that may need tweaking now that it has been used for the first time.

Discussion

[David Brightwell] What were the originally proposed values?

- *[A] 58.3 and 79.2 for heating on advanced t-stats*

[David Brightwell] What percentage of rebated measures were sold by the distributors you conducted the research with?

- *[A] About 60% but varied by type of measure – 0.70s for ACs and heat pumps, 0.40s for t-stats, I can pull up the exact numbers.*

[David Brightwell] If you had the customer data, how would you have weighted between the two types of respondents? What kind of NTG from customers would you need to get to this value?

- *[A] Much higher. Would assume equal weighting at worst. Open questions on methodology which isn't really part of this conversation. Questions from Ameren whether the end-users should be considered – methodological problem – and we will need info from that research to think about how we would use those attribution results. We're not totally clear where the end-users may be.*

[David Brightwell] If you determine an NTG of 1.0 for the other group, you might end up at 0.80?

- *[A] It's a good question. Ameren has also raised methodology concerns about how distributors respond. We can discuss other options.*

[Seth Craigo-Snell] The starting point on the end-user side is the midstream protocol itself. Even at the level of what we are attempting to measure, there are questions about how the questions are asked. Especially on the non-program store for a market-based program. Also, about how questions are phrased about program strategies. We will be working those out with the NTG Working Group. Second, understanding of the history is that ODC did some research in 2020 when it was downstream with contractors and end-users. Found free-ridership of 30% but also significant trade ally spillover. Different program design but same market. May tie back to the evidence in the data elsewhere in the program and the overall market that there are significant market effects in the program. Evaluation team and sponsors are trying to work through that.

[David Brightwell] Compared to the previous program design that was downstream – does the NTG change significantly based on converting to midstream?

- *[A] I think that is a really difficult question to speculate on. Fundamentally, when you change the delivery strategy that attribution might change substantially as a result.*

[Phil Mosenthal] I tend to think of NTG being lower for midstream programs, part of the logic being that with downstream it is the awareness of the rebate that pulls people in. Wondering as evaluators, what have you seen elsewhere?

- *[A] We have done some research and couldn't find a lot we thought was super comparable. We are using a relatively old Xcel study from Colorado for business midstream. I think that part of the challenge is that there has been a tendency in other jurisdictions to just impose the NTG we normally do to the midstream model – and the end-users may not be all that aware.*
- *[Seth Craigo-Snell] Ameren believes this value should be updated. Our key point is that we are just not quite there yet – we're not complete with the research.*

[David Brightwell] How many times do we use research with a 5% response rate?

- *[A] We think 60% of the savings is pretty good here. That's low on my list of concerns.*
- *[Seth Craigo-Snell] I think it is low on my list too. High on my list is bringing in another perspective, as is in the midstream protocol.*

[Zach Ross] I've heard Phil and David's perspective – there is concern with using the 0.80 SAG default value. Would parties be more comfortable with a midpoint between the default and the distributor research?

- *[Phil Mosenthal] I would be more comfortable with that. Interested in what the value would be.*
- *[David Brightwell] Agreed, interested in reviewing the value.*
- *[Matt Armstrong] Agreed for Ameren Illinois.*

Next step: Opinion Dynamics will follow-up with Ameren Illinois, IL AG/NCLC and ICC Staff regarding an updated midstream NTG value.

ComEd NTG Recommendations

Cherlyn Seruto, Guidehouse

- Questions from Ted Weaver raised in NTG Meeting #2 to compare ComEd to Ameren for residential heat pump values, as well as business to residential NTG values. Discuss why some of these measures use the default value (0.80) and some do not.
- Air Source Heat Pumps (ASHP) – value of 0.57 that was not deemed relevant for the midstream heat pump measure which is why that is a default value (0.80). We had done some secondary research – August 2021 memo – didn't find anything that was applicable, which is why we recommended the default. We are planning to research midstream ASHP in 2023.

Discussion

[Cher Seruto] If SAG uses a merged value for Ameren's midstream, would that also apply here?

- *[Celia Johnson] If there is consensus on taking that approach.*
- *[Phil Mosenthal] I prefer that approach. Especially considering the downstream number is close to the results Zach got for Ameren. Strikes me it is more likely to be closer to reality than the default.*
- *[David Brightwell] Agreed.*
- *[Vince Guitierrez] ComEd needs to discuss. Research was completed in 2021 and there are values in that study from 0.92 to 0.50. And none of them were relevant. There is more research planned next year. Concerned about a compromise number this year.*

- *[Vince Guitierrez] Midstream is a different program. We're no longer offering downstream measures, except maybe one or two carryover projects. We don't plan on having any downstream in this program.*
- *[Phil Mosenthal] Typically midstream is not going to be higher or much higher than downstream. I don't see the logic in jumping up to 0.80.*
- *[Vince Guitierrez] We have some research in the 2021 memo at 0.92. We and our evaluator haven't looked at the Ameren research to see how relevant it is for our program. I'd suggest we do another round of literature research; we could include the Ameren research in that.*
- *[Phil Mosenthal] I would be supportive of some kind of average based on literature search, where other jurisdictions are based on studies that aren't too old, rather than a default value.*
- *[Celia Johnson] Would that be for next year?*
- *[Vince Guitierrez] Yes, not enough time in this year's NTG process.*

Next step: ComEd will follow-up with Guidehouse, IL AG/NCLC and ICC Staff regarding ComEd's position on the proposal to update the midstream NTG value similar to Ameren.

Closing & Next Steps

- Evaluators will share final NTG spreadsheets by Oct. 1
- Final spreadsheets will be posted on the [NTG page of the SAG website](#) and circulated to SAG